

FILING PREAPPLICATIONS BUSINESS AND INDUSTRY LOAN GUARANTEE

Borrowers and lenders are encouraged to file preapplications and obtain Agency comments before completing an application. However, if they prefer, they may file a complete application as the first contact with the Agency. Neither preapplications nor applications will be accepted or processed unless a lender has agreed to finance the proposal.

Lenders may file preapplications by submitting the following to the Agency:

1. ____ A letter signed by the borrower and lender containing the following:
 - Borrower's name, organization type, address, contact person, federal tax identification, and telephone numbers.
 - Amount of the loan request, percent of guarantee requested, and the proposed rates and terms.
 - Name of the proposed lender, address, telephone number, contact person, and lender's Internal Revenue Service (IRS) identification number.
 - Brief description of the project, products, services provided, and availability of raw materials and supplies.
 - Type and number of jobs created or saved.
 - Amount of borrower's equity and a description of collateral, with estimated values, to be offered as security for the loan.
 - If a corporate borrower, the names and addresses of the borrower's parent, affiliates, and subsidiary firms, if any, and a description of the relationship.
2. ____ A completed Form 4279-2, "Certification of Non-Relocation and Market Capacity Information Report," if the proposed loan is in excess of \$1 million and will increase direct employment by more than 50 employees. This form is used to request a Department of Labor review that can take up to 60 days to complete. The DOL determines whether jobs will be relocated from one community to another and whether new capacity will be added in an industry already suffering from an excess of capacity (both of which are prohibited uses of our program).
3. ____ Financial information for existing businesses:
 - Current balance sheet, not more than 90 days old.
 - Current profit and loss statement, not more than 90 days old.
 - Financial statements for borrower and any parent, affiliates, and subsidiaries for most recent 3 years.
4. ____ For start-up businesses, a preliminary business plan must be provided.